

MINUTES ADOPTED BY CITY COUNCIL

Greenville, NC
November 22, 2004

The Greenville City Council met in a regular meeting on the above date at 6:00 PM in the City Council Chambers, third floor of the Municipal Building, with Mayor Robert D. Parrott presiding. The meeting was called to order, followed by the invocation by Council Member Dunn, and the pledge of allegiance to the flag. The following were present.

Mayor Robert D. Parrott
Mayor Pro-Tem Ric Miller
Council Member Mildred A. Council
Council Member Ray Craft
Council Member Pat Dunn
Council Member Rose H. Glover
Council Member Chip Little
Wayne Bowers, City Manager
Wanda T. Elks, City Clerk
David A. Holec, City Attorney

APPROVAL OF AGENDA

Motion was made by Council Member Craft and seconded by Council Member Glover to approve the agenda as presented. Motion carried unanimously.

APPOINTMENTS TO THE WINTERVILLE/GREENVILLE/GREENVILLE UTILITIES COMMISSION COORDINATING COMMITTEE

City Manager Bowers reminded the Council about the establishment of the joint committee of Town of Winterville, City of Greenville, and Greenville Utilities Commission to coordinate future growth issues occurring between Winterville and Greenville. There are to be two representatives from each of the three entities. The Winterville Board of Alderman appointed Mayor Doug Jackson and Town Manager Bill Whisnant as their representatives; Greenville Utilities Commission appointed Commissioners Lester Brown and Wayne Powell as representatives. He asked the Council to appoint two people to represent the City.

Motion was made by Council Member Craft and seconded by Council Member Glover to appoint Council Member Little and City Manager Bowers.

Council Member Council nominated Council Member Dunn.

After discussion about whether the Council preferred to have two Council Members or a Council Member and the City Manager, Council Member Craft withdrew his motion and Council Member Glover withdrew her second.

Motion was then made by Council Member Little and seconded by Council Member Council to appoint Council Members Dunn and Little as representatives from the City of Greenville to serve on the Winterville Greenville/Greenville Utilities Commission Coordinating Committee. Motion carried unanimously.

RECEIPT AND ACCEPTANCE OF CERTIFIED ELECTION RESULTS FOR \$5,700,000 STREET IMPROVEMENT BONDS, \$5,000,000 WEST GREENVILLE REVITALIZATION BONDS, 45,000,000 CENTER CITY REVITALIZATION BONDS AND \$5,100,000 STORMWATER DRAINAGE BONDS

The City Council of the City of Greenville received from the Pitt County Board of Elections a certified copy of a resolution of said Board of Elections adopted on November 9, 2004, evidencing said Board's determination of the results of the canvass of the returns of the bond referendum held in the City of Greenville on November 2, 2004 upon the questions of approving \$5,700,000 Street Improvement Bonds, \$5,000,000 West Greenville Revitalization Bonds, \$5,000,000 Center City Revitalization Bonds and \$5,100,000 Stormwater Drainage Bonds of said City.

After presentation by Ms. Bernita Demery, Director of Financial Services, said resolution was considered and reviewed by the City Council, at which time Council Member Council read the following resolution by title:

RESOLUTION DECLARING THE RESULTS OF THE BOND REFERENDUM HELD IN THE CITY OF GREENVILLE, NORTH CAROLINA ON NOVEMBER 2, 2004 UPON THE QUESTIONS OF APPROVING \$5,700,000 STREET IMPROVEMENT BONDS, \$5,000,000 WEST GREENVILLE REVITALIZATION BONDS, \$5,000,000 CENTER CITY REVITALIZATION BONDS AND \$5,100,000 STORMWATER DRAINAGE BONDS

BE IT RESOLVED by the City Council of the City of Greenville, North Carolina:

Section 1. The City Council of the City of Greenville, North Carolina having received from the Pitt County Board of Elections a certified copy of a resolution of said Board of Elections adopted on November 9, 2004, evidencing said Board's determination of the results of the canvass of the returns of the bond referendum held in the City of Greenville on November 2, 2004 upon the questions of approving \$5,700,000 Street Improvement Bonds, \$5,000,000 West Greenville Revitalization Bonds, \$5,000,000 Center City Revitalization Bonds and \$5,100,000 Stormwater Drainage Bonds of said City, does hereby declare and certify the results of said referendum to be the results which are set forth in the following statement of the results of said referendum, which statement has been prepared by said City Council:

STATEMENT OF THE RESULTS
OF THE
BOND REFERENDUM
HELD IN THE
CITY OF GREENVILLE, NORTH CAROLINA
ON NOVEMBER 2, 2004
UPON THE QUESTIONS OF APPROVING
\$5,700,000 STREET IMPROVEMENT BONDS,
\$5,000,000 WEST GREENVILLE REVITALIZATION BONDS,
\$5,000,000 CENTER CITY REVITALIZATION BONDS AND
\$5,100,000 STORMWATER DRAINAGE BONDS

At a bond referendum held in the City of Greenville on November 2, 2004, 46,226 voters were registered and qualified to vote.

At said referendum 18,117 votes were cast for the order adopted on August 23, 2004 authorizing not exceeding \$5,700,000 Street Improvement Bonds of the City of Greenville, North Carolina, for the purpose of providing funds, together with any other available funds, for constructing, reconstructing, widening, extending, resurfacing and improving thoroughfares, streets, roads and grade separations including traffic controls and lighting, and acquiring any necessary rights of way therefor, and authorizing the levy of taxes in an amount sufficient to pay the principal of and the interest on said bonds, and 3,893 votes were cast against said order, and a majority of the qualified voters of said City who voted thereon at said referendum having voted in favor of the approval of said order, said order was thereby approved and is in force and effect.

At said referendum 15,542 votes were cast for the order adopted on August 23, 2004 authorizing not exceeding \$5,000,000 West Greenville Revitalization Bonds of the City of Greenville, North Carolina, for the purpose of providing funds, together with any other available funds, for acquiring and improving land in the West Greenville 45 Block revitalization area and other revitalization areas within the West Greenville area of the City, including the acquisition, demolition, rehabilitation and construction of housing facilities and other structures, streets, sidewalks and public utilities; and authorizing the provisions of loans, grants and other programs of financial assistance to persons of low or moderate income and small businesses in such areas, and authorizing the levy of taxes in an amount sufficient to pay the principal of and the interest on said bonds, and 6,202 votes were cast against said order, and a majority of the qualified voters of said City who voted thereon at said referendum having voted in favor of the approval of said order, said order was thereby approved and is in force and effect.

At said referendum 16,095 votes were cast for the order adopted on August 23, 2004 authorizing not exceeding \$5,000,000 Center City Revitalization Bonds of the City of Greenville, North Carolina, for the purpose of providing funds, together with any other available funds, for acquiring and improving land in the Center City revitalization area including downtown and other revitalization areas within the City, including the acquisition, demolition, rehabilitation and construction of structures, housing facilities, streets, sidewalks and public utilities; and authorizing the provision of loans, grants and other programs of financial assistance to persons of low or moderate income and small businesses in such areas, and authorizing the levy of taxes in an amount sufficient to pay the principal of and the interest on said bonds, and

5,569 votes were cast against said order, and a majority of the qualified voters of said City who voted thereon at said referendum having voted in favor of the approval of said order, said order was thereby approved and is in force and effect.

At said referendum 18,042 votes were cast for the order adopted on August 23, 2004 authorizing not exceeding \$5,100,000 Stormwater Drainage Bonds of the City of Greenville, North Carolina, for the purpose of providing funds, together with any other available funds, for improving the stormwater drainage system of the City, including the construction and replacement of storm sewers, drains, catch basins, pipes and other facilities for stormwater drainage and related natural channel improvements, and authorizing the levy of taxes in an amount sufficient to pay the principal of and the interest on said bonds, and 3,726 votes were cast against said order, and a majority of the qualified voters of said City who voted thereon at said referendum having voted in favor of the approval of said order, said order was thereby approved and is in force and effect.

Section 2. The City Clerk shall file a copy of the foregoing statement of the results of said referendum in her office and shall publish such statement once in The Daily Reflector. A statement in substantially the following form shall be published with the foregoing statement:

Any action or proceeding challenging the regularity or validity of this bond referendum must be begun within 30 days after November 26, 2004.

City Council of the City of
Greenville, North Carolina

Section 3. This resolution shall take effect upon its passage.

Upon motion of Mayor Pro-Tem Miller, seconded by Council Member Council, the foregoing resolution entitled: "Resolution Declaring The Results Of The Bond Referendum Held In The City Of Greenville, North Carolina On November 2, 2004 Upon The Questions Of Approving \$5,700,000 Street Improvement Bonds, \$5,000,000 West Greenville Revitalization Bonds, \$5,000,000 Center City Revitalization Bonds And \$5,100,000 Stormwater Drainage Bonds" passed unanimously. (Resolution No. 04-55)

ECONOMIC STIMULUS PLAN FOR PITT-GREENVILLE AIRPORT - APPROVED

Mr. Jim Turcotte, General Manager of the Pitt-Greenville Airport, presented to the Council an economic stimulus plan for the Pitt-Greenville Airport that was approved by the Airport Authority. If approved by the City Council and the County Commissioners, it will halt the continuing erosion of the tax base and will not cost the City any real dollars. People have housed their aircraft in neighboring towns because of the differences in the tax structure. As proposed, the plan would be revenue-neutral for both the City and County. The City would collect additional property taxes from the aircraft that relocate to the Pitt-Greenville Airport. An amount equivalent to these additional taxes would be remitted to the Airport Authority and then passed on to the aircraft owners by awarding in-house credits to aircraft owners and reducing the profit margin on jet fuel for all aircraft taxed by the City of Greenville and Pitt County. The plan read as follows:

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Economic Stimulus Plan
Pitt-Greenville Airport

At Issue

Continuing exodus of high valued corporate and other aircraft from Pitt-Greenville Airport to those Airports in surrounding counties due to more favorable tax structure and other incentives.

Background/Introduction

As a City/County owned facility, Pitt-Greenville Airport is a nearly 1,000-acre complex with a replacement value of \$50-\$100 million. The Authority has received no City/County funds for operational expenses since 1986. The Authority did receive \$50K from both the City and the County in 1998 for Capital Projects.

The Airport Authority receives substantial funding from the Federal Aviation Administration and the NCDOT-Division of Aviation, but these funds can only be used for Capital Improvements. None can be used for operational and maintenance costs.

The Airport Authority generates some 40% of its operating revenue from private aircraft rental fees and selling fuel to both based and transient aircraft. The other 60% comes from the presence of commercial Airline service.

There is presently \$18.2 million worth of aircraft based at Pitt-Greenville generating \$230K of combined City-County property tax. Nearly \$10 million worth of aircraft generating \$124,540 worth of City-County property taxes have left or will leave the Pitt-Greenville Airport due to economic incentives from competing airports.

With the uncertainty surrounding the Airline Industry, it is imperative that the Airport Authority aggressively attract and maintain General Aviation customers.

Action Taken

While the Airport Authority has been aware of this long standing issue, serious dialogue has been underway for the past 18 months to address this matter. An ad hoc committee was formed to develop a plan to attract and retain aircraft at the Pitt-Greenville Airport while achieving revenue neutrality for the City of Greenville and Pitt County. The committee was comprised of the following:

Don Parrott, Mayor, COG
Eugene James, Chairman, BOC
Richard Eakin, Chairman, PGAA
Chip Little, PGAA, City Council
Jimmy Garriss, PGAA, BOC

James Turcotte, Airport Manager
Dave Holec, City Attorney
Joann Burgdoff, County Attorney
John Bulow, Deputy County Manager
Phil Dickerson, County Engineer

Marvin Davis, City Manager
 Scott Elliott, County Manager

John Chaffee, Pitt Development Comm.

Proposal of Committee

1. Bring back to the Pitt-Greenville Airport aircraft valued at \$9.8 Million by:
 - i. Award in-house credits to aircraft owners. These credits will be generated from the combined City/County taxes generated on these returned aircraft so that the action would be revenue neutral to both the City and the County.
 - ii. Reduce gross profit margin on jet fuel by 25% for those aircraft taxed by the City of Greenville and Pitt County.
2. Result of implementation of Proposal
 - i. Immediate revenue neutral position for both the City and the County.
 - ii. Create a more positive image and attract more aircraft to come to the Pitt-Greenville Airport, thus having the long-term impact of increasing aircraft assets resulting in a net increase of property taxes for both the City and the County.
3. Implication of doing nothing:
 - i. The existing tax base will continue to erode and result in less ad valorem tax collections for both the City and the County and place in jeopardy the Pitt-Greenville Airport Authority's ability to operate self-sufficiently.

Partnership Request of Greenville City Council

Consideration to enjoin in a partnership with Pitt County and the Pitt-Greenville Airport Authority by way of this Economic Stimulus Plan to approve this Economic Stimulus Plan and pre-fund Airport Authority one-half or \$62,270 of City/County ad valorem tax collections on the new aircraft listed at the Pitt-Greenville Airport for 2005 with the remaining \$62,270 coming from Pitt County.

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Upon being asked if this plan will allow bigger jets to be brought in, Mr. Turcotte responded that it would mostly involve corporate jets and eight passenger airplanes. This plan would mean that for new aircraft coming in that the new tax dollars will go to the Airport Authority. Once they are at that level, the hope is that it will be more attractive for people to house their aircraft in Greenville. Seventy percent would be split between the City and County, and the remaining 30% would go toward funding the plan.

Motion was made by Council Member Craft and seconded by Council Member Little to approve the Economic Stimulus Plan for the Pitt-Greenville Airport for one year. Motion carried with a vote of 5:1. Mayor Pro-Tem Miller and Council Members Glover, Craft, Little and Dunn voted in favor of the motion. Council Member Council voted in opposition.

UPGRADE OF CURRENT RECREATION ASSISTANT TO RECREATION SUPERVISOR
FOR STAFFING OF THE SPORTS CONNECTION - APPROVED

Motion was made by Mayor Pro-Tem Miller and seconded by Council Member Craft to approve the upgrade of a current Recreation Assistant to Recreation Supervisor for staffing of the Sports Connection. Motion carried unanimously.

COMMENTS FROM MAYOR AND CITY COUNCIL MEMBERS

Council Member Dunn thanked the Recreation and Parks Department for having Wellness Day. She asked everyone to remember the things they have to be grateful for during the holidays. She requested that in the future the Council be given notice of what the closed session is about.

Council Member Council wished everyone a happy holiday. She thanked the AllStars 4-H Club for helping with the Caring is Sharing Food Drive in a small way. She reported that the Historic Preservation Commission meets tomorrow night.

Mayor Pro-Tem Miller thanked the staff members of the City and Greenville Utilities Commission for undertaking the Caring is Sharing Food Drive. He stated that the Salvation Army is having a Celebrity Bell Ringing Day. The Police and Fire/Rescue Departments are planning to help the Salvation Army with the bell ringing.

Council Member Glover stated that Council Member Council has a problem with trust with regard to the airport. They are going to be watching the airport, and if the plan adopted tonight doesn't work, it will have she and Council Member Council to answer to. She wished everyone a happy Thanksgiving.

Council Member Little wished everyone a great holiday season, as did Council Member Craft.

Mayor Parrott encouraged everyone to stay safe during the holidays.

CITY MANAGER'S REPORT

Caring is Sharing Food Drive

City Manager Bowers informed the Council that this Caring is Sharing Food Drive was the 15th annual food drive and there were five permanent agencies that benefited. Those agencies were approved by City Council in 1993. This campaign was a wonderful demonstration of how employees are helping those in need in the community.

CLOSED SESSION

Motion was made by Council Member Craft and seconded by Council Member Council to go into closed session to establish or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease. Motion carried unanimously.

RETURN TO OPEN SESSION

Motion was made by Council Member Council and seconded by Council Member Glover to return to open session. Motion carried unanimously.

ADJOURN

Motion was made by Council Member Glover and seconded by Council Member Little to adjourn the meeting at 7:35 p.m. Motion carried unanimously.

Respectfully submitted,

Wanda T. Elks, CMC
City Clerk